

BUDGET INTRODUCED IN COUNCIL

Balance Between Revenue And Recurrent Spending

Estimated \$16,000,000
From Inland Revenue

English Rivers In Flood

London, Mar. 12.
Rivers are rising fast and thousands of acres of low lying land are already deep in flood water after the warm weather wave had melted rapidly the snow accumulated during the recent "ice age."

The River Medway in Kent and the Avon in Wiltshire have reached their highest levels in 20 years and are still rising. After the Avon burst its banks during the night, streets in Salisbury, cathedral city of 25,000 people were flooded and the police warned householders to take their furniture to upper rooms.

Sandbags and piles of clay have been dumped in the main street ready to block up houses and shops if the water rises further.

Towns in the Thames Valley are prepared for flooding and the river is already up to road level for many miles.

At Windsor, the Thames is already three feet above normal and is expected to rise higher still when the huge volume of water sweeping down from the Cotswold hills and smaller streams reaches the lower lying land.

The Air Ministry forecast today further slight falls of snow in England.—Reuter.

U.S. Ship Hits Mine

New York, Mar. 13.
The American Export Lines said its 6,597-ton freighter "Exanthia" struck a mine off the island of Pianosa, south of Leghorn, Italy, but that no casualties among the crew members were reported.

(In Genoa, however, port authorities said only six of the "Exanthia's" crew of 44 were known to have been saved.

The Italian news agency, Ansa, added that semaphore signals received from Cao Serra, on the island of Elba, disclosed that there were dead and wounded aboard the wrecked ship.)

John F. Gehan, American Export Lines' Vice-President, said he was notified that 27 members of the crew landed on Pianosa and an "indefinite number" landed on Elba.—Associated Press.

Bligh Of "Bounty" Controversy

London, Mar. 12.
The controversy over Captain William Bligh, whose turbulent career in the Royal Navy was highlighted by the mutiny of the "Bounty" late in the 18th Century, continued today, 130 years after his death.

The newest chapter in the Bligh legend was started when a New South Wales agent in London, J. M. Tully, wrote the Sydney (Australia) City Council and said Bligh's tomb in Lambeth churchyard had been damaged by bomb blast and appeared forlorn and forgotten.

Sydney suggested that Bligh's tomb and all be removed to Australia, where he had served as Governor-General and precipitated another mutiny.

The Rector of Lambeth, the Rev. Henry Henley, told Sydney to keep his hands off Bligh's remains.

"I would have thought that before these people did anything they would have got in touch with this end," he said. "But Sydney has to take care what he does for removing the tomb and its contents to Australia."

The increases in taxation already introduced and the proposals for direct taxation now to be brought before this Council, the effect of which is reflected in the revenue figures, has resulted in the attainment of a balance between revenue and recurrent expenditure. With the proposed expenditure of a non-recurrent character, we shall no longer be dependent on His Majesty's Government insofar as the future is concerned," said Mr. C.G.S. Follows, Financial Secretary, at yesterday's meeting of the Legislative Council.

He was moving the first reading of the Appropriation Bill for 1947-48, covering a sum not exceeding \$109,488,433. Highlights from his speech included:—Revenue in the past year has been more buoyant than expected; the estimates provide for a surplus of \$351,317 for 1947-48; a token figure of \$16,000,000 has been inserted in respect of revenue from the Inland Revenue (Earnings & Profits) Ordinance—the so-called "Income Tax."

Other points included an initial grant of \$1,500,000 to the Municipal Government; provision for a school meals service at a cost of \$1,320,000; a token contribution of \$250,000 to the War Memorial Fund; and the ear-marking of about \$60,000,000 from loan to finance rehabilitation expenditure during 1947-48.

Moving the reading of the Bill, Mr. Follows said:—"I would in the first place express my regret that circumstances have compelled me to move the first reading of this Appropriation Bill before the actual printed Estimates are in the hands of Honourable Members. It is necessary in these matters to work to a programme as much inconvenience results if the budget is not dealt with before the beginning of the financial year to which it relates.

"When today was tentatively fixed for the first reading there was every reason to suppose that the printing of the Estimates would be completed by the end of the first week in March. As Honourable Members are aware there is no Government Printing Office and although the firm undertaking the work made valiant efforts to complete it to schedule they just failed to make up the time lost by unfortunate delays at an earlier stage. I am, however, circulating to Honourable Members a detailed explanatory Memorandum on the Estimates and hope that this may compensate to some degree for the delay in the delivery of the printed copies of the Estimates themselves. There is every hope that the latter will be in the hands of Honourable Members before the weekend.

"With this introduction I will now touch briefly on the position at the end of the present financial year before turning to the Estimates for the year which is still before us.

Original Estimates Exceeded

"As Honourable Members fully realize, a large element of guesswork necessarily entered

into the preparation of the Estimates for 1946-47. Confronted by conditions which differed vastly from those obtaining in 1941 and after a gap of 3½ years caused by the Japanese occupation, there were no standards of comparison on which costs could be based. Inevitably, therefore, the actual results of the year's working will differ considerably from those which were anticipated when the Estimates were framed.

"At that time it only seemed probable that the revenue for the year would amount to \$51,308,300. In the event, revenue has been more buoyant than could reasonably have been foreseen after the dislocation caused by a prolonged period of enemy occupation.

"Then, in accordance with the recommendations of the Taxation Committee, various new taxes and increases in existing taxation were introduced towards the end of 1946. These two factors together have resulted in the original revenue figure greatly exceeded and it is anticipated that the final figure will be approximately \$78,000,000.

"The approved estimate of recurrent expenditure for 1946-47 was \$90,077,129 with special expenditure and Public Works Extraordinary amounting to an additional \$77,771,447. This made a total of \$167,854,567 and the anticipated deficit was thus \$110,546,276.

Total Spending

"In actual fact, there have been considerable savings in a number of directions, particularly in regard to special expenditure as owing to delays in manufacture new equipment ordered has not been delivered during the financial year. It is not possible to give an accurate total expenditure figure as information on which this could be based is only available in relation to local expenditure.

Public Debt

"On this occasion, therefore, provision for the service of the Public Debt has been included in the Bill and this seemed to be particularly desirable as under this Head has been included a token sum of \$6,000,000 in respect of interest and sinking fund on the proposed new loan.

"A great deal of expenditure is taking place in London for the purchase of new equipment and detailed accounts are very much in arrears. It will be appreciated that the settlement by the Crown Agents of a large claim of which this Government has no knowledge, or the delivery, say, of new rolling stock for the railway to the value of several million dollars would completely upset any estimate of actual expenditure which may be attempted and I am afraid, therefore, that I cannot go further at the moment than to say that the total expenditure up to the 31st March is unlikely to exceed \$90,000,000 for recurrent and \$40,000,000 for Special Expenditure.

"These figures may be a good deal lower if expenditure in London during the last few months has been below the anticipated figure. However, assuming that the above figures represent the approximate position the deficit on the year's working should be in the region of \$12,000,000.

"In other words, the revenue to date has been sufficient to meet all our recurrent

expenditure and the effect of which is reflected in the attainment of a balance between revenue and recurrent expenditure. With the proposed expenditure of a non-recurrent character, we shall no longer be dependent on His Majesty's Government insofar as the future is concerned," said Mr. C.G.S. Follows, Financial Secretary, at yesterday's meeting of the Legislative Council.

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Tanker Breaks In Two

Honolulu, Mar. 13.
A tanker, the "Fort Dearborn," bound from San Francisco to Shangai with 100,000 barrels of Diesel oil, sent out an SOS today, saying she had broken in two approximately 800 miles northwest of Honolulu.

Six ships and a navy search plane were despatched to the rescue of the ship with 43 men aboard.

A general message was sent to all ships within a 500 mile radius of the "Fort Dearborn" to converge at the scene.

The U.S. "Twinhoon" is reported to be within 195 miles of the "Dearborn" and should reach the stricken ship first.

At least five other ships said they were proceeding to the scene from greater distances. These included the freighter "Bold Eagle," which relayed the "Dearborn's" distress call to "Globe Wireless."

The "Dearborn" was the thirteenth ship built at Henry Kaiser shipyard in Portland, Oregon. Her cargo was loaded by the Associated Oil Company for navy delivery.—Associated Press.

Halves Sighted

Honolulu, Mar. 13.
A Navy search plane today sighted both halves of the "Fort Dearborn."

The bow section appeared to be sinking but the stern section is riding well in the heavy seas with many or all of the crew of 42 clustered in that section. No survivors were seen on the bow or in the water.—United Press.

Ta Kung Pao Suspended

Nanking, Mar. 13.
One of Nanking's leading morning papers, the Ta Kung Pao, has been ordered by the Chinese Government to suspend publication indefinitely on grounds that one month ago it published an "incorrect" contributed article.

In revealing this, a representative of the paper said that the article formed only the pretext for the order to close, adding: "Behind this is the more important fact that some people in the Government want to gain a greater control over publication of the paper."

Other sources interpreted the suspension as a manifestation of the conflict which is alleged to be developing between the "CC clique"—extreme Right-wingers—and the Political Science Group—Liberals—of the Kuomintang.

According to a member of the Ta Kung Pao, the suspension order came from the highest Government authorities and takes effect tomorrow.

The offending article stated that a worker in the Finance Ministry committed suicide because of the small pay he received and the difficult conditions under which Government officials must live. This article later proved incorrect and the Government charged the newspaper with irresponsibility, the staff member added.—Reuter.

10-YEAR LIMIT ON PRESIDENTS

Washington, Mar. 13.
The Senate, sitting in a night session last night, approved a constitutional amendment limiting future presidents to no more than 10 years in the White House, including only two full four-year elected terms in office.

Thirteen Democrats joined 40 Republicans to vote for limitation while 23 Democrats but no Republicans voted against, thus giving the amendment 13 more than the required two-thirds.—United Press.

EXPLOSION ON MOTORSHIP

Gens, Mar. 13.
Two heavy explosions aboard the American motorship Edmund Farina at her dock here today were reported to have killed one man and injured ten. The crew of 60 left the ship in flames.

The bow of the vessel was badly damaged.

No immediate report on the cause of the blasts is available.—Associated Press.

SOVIET CANCER CLAIM

Moscow, Mar. 12.
The "Iszvestia" today reported that Marshal Stalin had called on two Soviet scientists, Kurnev and Rostkin, to abandon all routine projects and devote themselves entirely to cancer research.

The "Iszvestia" added that the two scientists had discovered a new substance "deadly to cancer growth and yet entirely harmless to the patient."—Reuter.

SHARP WARNING TO RUSSIA

Washington, Mar. 12.
President Truman today warned the Soviet Union that the United States "cannot allow" Russia to force changes in the present political division of the world by coercion and Communist infiltration.

He asked Congress to give political guarantee of their freedom and integrity to Turkey and Greece in face of Soviet pressure and to authorize the expenditure of \$400,000,000 to back the warning and guarantee in aiding those countries.

Although the Soviet Union was never mentioned by President Truman by name, this was how both Congressional and official circles interpreted the solemn speech which he delivered to a rarely convened joint assembly of both Houses of Congress in an atmosphere of tense diplomatic crisis, heightened by Russia's recall of her ambassadors to London, Washington and Paris.

Observers here recalled the warnings which President Roosevelt addressed to Hitler before the outbreak of World War Two.

President Truman said that the same issues were at stake as in the war with Germany and Japan and he appealed to placing the methods used by Soviet foreign policy in its neighbouring countries in the same category as those used by Germany and Japan. Similar language was used by President Roosevelt and Mr. Churchill in denouncing the Soviet aggressive policy during the Russian-Finnish war of 1939-40.

But what gave President Truman's words special significance to his Congressional listeners today was that this time the President of the United States was not merely commenting but was asking Congress to take "immediate and resolute" legislative action to block Russia's aggressive and expanding foreign policy in a specific part of the world.

Moreover, the legislators had been made fully aware in private meetings between President Truman and Congressional leaders that they were not only being asked to back his words with hard cash to the tune of \$400,000,000 but were faced with the momentous political commitment of guaranteeing the freedom and integrity of both Middle Eastern and European countries.

Bilateral alliances and automatic guarantees of point-mill.

Military raiders today discovered an arms cache in the cellar of a house within the Measheari martial law area of Jerusalem. A score of Jews were detained.—United Press.

As they entered the bank the robbers ordered the staff to hold their bands and close window shutters. Then several of the band rifled the bank's strong rooms.

A police constable guarding the Magistrate's Court in the same building telephoned the police. However by the time the police arrived the Irgunists had escaped.

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Call for PHILIP MORRIS

FOOT GOLD

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Traffic Accident On Ferry

An unusual traffic accident, in which a sailor on board the vehicular ferry "Man Yeung" was knocked out by a car had a sequel when Sajawal Khan, the driver, was fined \$250 by Mr. F. X. d'Almada in Central yesterday for driving without due care and caution.

A second charge, of causing bodily harm, was withdrawn by the Police, S. I. Hidden prosecuted, while the driver was defended by Mr. A. el Arculli.

Lee Pui, sailor, said that as the ferry approached the wharf he was standing at the stern, waiting to get a line ashore, when he was knocked unconscious by a car. As a result of an injury to his knee, he had not been able to resume work.

Sajawal Khan said that he had been driving a car for 20 years. He started up the engine of the car as the ferry approached the wharf; it had no hand-brake and he did not realize it was in gear.

Mr. Arculli submitted Khan had no case to answer, as he was not actually driving the car in the full sense of the term. The Magistrate disagreed, saying that once the engine was put into motion and defendant put his hand on gear-lever or wheel it was sufficient evidence of driving.

Warning To Medical Practitioners

The Medical Board of Hong Kong are desirous of drawing the attention of all registered medical practitioners in Hong Kong that instances have come to their notice recently in which certificates, notifications, reports, etc., which registered medical practitioners are bound by law to give, or may be, from time to time, called upon or requested to give, have been wrongly issued.

The Medical Board are also desirous of warning registered medical practitioners that any such practitioner who shall be shown to have signed or given under his name and authority any such certificate, notification, report, or document of kindred character, which is untrue, misleading, or improper, is liable to have his name erased from the Medical Register.

Set Without Licence

Li Ting-yuk was fined \$2,000 on four months' hard labour, and Yu Chek-ting \$250 or one month's imprisonment, when they were convicted by Mr. Latimer yesterday on charge of possession of a radio-communication set, without licence, and operating the set at 20 Hillwood Road, first floor, on March 11.

According to the prosecution, the set was used for the transmission and receiving of commercial messages to and from Canton and Foochow.

In another case, So Yuk-ho, female, was fined \$1,000 for similar offence, at 67 Fuk Wai Street, second floor, on March 12. Both sets were ordered to be confiscated to the Postmaster General.

Eastern Cargo Delays

Road and rail traffic dislocation due to the severe weather has resulted in considerable quantities of cargo for the Far East arriving at the London Docks too late for the ships which were to carry it abroad, according to advice received by Hong Kong importers.

In one instance, 30 railway wagons arrived a week after the ship had sailed.

Shortage of labour at the docks at Home has further curtailed loading. Stevedoring companies have been hard pressed in their endeavours to avoid split consignments.

POLICE OFFICER TO WED

The forthcoming weddings announced: David George Hetherington, Merchant, Hong Kong Hotel to Miss Lily Yip, of the same address; Sub-inspector Louis Chan Sow of 3 Stafford Road, 1st floor, to Miss Wong Shiu Fong, Teacher, Kowloon Tong School.

A fine of \$100, or one month's hard labour, was imposed by Mr. F. X. d'Almada at Central yesterday on George Pang, 32, hospital dresser of the Stanley Prison, for attempting to bring in \$214.16 contrary to Prison regulations. According to Prison regulations, officers going on guard must hand over all 40d coins, including money, to the officer at the gate. Pang, however, did not do so.

Stated our Unofficial representatives in the Legislative Council

JAPANESE ACCOUNT OF WONGNEICHONG BATTLE

An artillery battery stationed north of the Happy Valley Race Course inflicted heavy casualties on the Japanese forces attacking the Wong-Nei-Chong Gap area between Dec. 19 and 21, 1941, it was revealed yesterday at No. 5 War Crimes Court, when the trial of Major-General Shoji Toshishige, on a charge of being concerned in the illtreatment of prisoners taken in the area, continued yesterday.

Shoji's account of the operations of his unit was read into the Court records. He revealed that by the evening of Dec. 20 he had already sustained 800 casualties and had to inform a liaison office from Japanese H.Q. of the fact when ordered to prepare an attack on Leighton Hill.

The Shoji account also revealed the fact that Japanese Divisional H.Q. on Dec. 20 lost contact with one of the three regiments taking part in the attack and had been informed that another (Shoji's regiment) was annihilated, while the third reported such heavy opposition both from artillery and British troops that it had

been unable to get through to its objective.

"Unfortunately, I have to take a serious view of the case," went V. W. Walker, "but will give you the first accused the option of a fine of \$150 or six weeks' hard labour. His mother will also have to sign a bond for \$500 for his good behaviour for 12 months."

The \$500 found on Young and Li was, on the application of Mr. Clifford, ordered to be donated to the Poor Box.

Engineers Store Theft

William Maher, who had previously pleaded guilty to the charge of larceny of 376 pieces of corrugated iron sheets from the Engineers Store, Base Depot on Jan. 11, was fined \$150, or six weeks' hard labour by Mr. W. H. Latimer, at Kowloon yesterday.

His two accomplices, Yeung Hing and Li Tak-hung, formerly attached to the Hong Kong Chinese New Training Coy., were sentenced to two months' hard labour to date from the date of their arrest, which meant their immediate release.

Before passing sentence, Mr. Walker said that he had come to the conclusion that there was more weakness than criminality in the first accused.

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STOLE BOMB DETONATORS

Three months' hard labour was imposed on Lam Chuen, 21-year-old coiffeur, of 31 Wan Chai Road, by Mr. d'Almada at Central yesterday when he was found guilty of the larceny of 20 aerial bomb detonators from Lyemun Barracks on Mar. 11.

When defendant was found in possession of the detonators in Main Street, he said that he thought the detonators were going to be thrown into the sea so he had taken them away. He admitted that he had not been given permission to take them, but he thought they were not wanted.

Chen On Kwan, 33, 140, Connaught Road Central was found guilty by Mr. H. G. Sheldon, KC, at Central yesterday of trying to export without license 15 cases of paper, 2 cases of hair combs, 5 cases of Scott's Emulsion, 4 cases of soap, 2 sacks of Chinese medicine, and 6 sacks of soda.

Here he found several wounded, among them his commanding

Readers' Letters

Income Tax

Sir,—I am pleased to see that the local press are on the warpath over the burning question of the proposed Income Tax. We all know that Government simply must open new avenues of revenue to meet the huge deficit but the problem is one that can be solved quite easily by indirect taxation.

By insisting upon Income Tax, Government create a hornet's nest as under the peculiar position in which Hong Kong is placed, this can most definitely not be operated in an equitable manner. More than this I make bold to say that the imposition of Income Tax will only start up a new "racket" in Hong Kong and I leave it to the imagination of your readers to figure out how this can come about.

In an earlier letter I suggested various methods of raising revenue and I will now expand on the Stamp Tax which I suggested. At the present time the law demands a ten cent revenue stamp to be affixed on all receipts over \$20. Does it not sound ridiculous that on a business of \$20.00 you have to stamp out 10 cents for revenue stamps and the same amount is only asked to cover a transaction amounting to a million dollars?

The main object of Income Tax is to millet those who can afford it but there are many loopholes.

Stamp tax will get everyone,

almost foolproof and something

can calculate on when negotiating any business.

Transfer Deeds covering shares

continually pass hands on blank

transfers and providing the scrip

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the shares are not transferred but used as a trading counter. By im-

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I might be inclined to cry out

"Give Us Liberty or Give Us

Death!" Still we are supposed to

be living in an age of democracy

and having been promised by the

Atlantic Charter the Four Free-

doms, why not give test to these

promises?

Stated our Unofficial representa-

tives in the Legislative Council

put up a fight and oppose the Draft Bill for Income Tax knowing they have public support before the burning question of the proposed Income Tax. We all know that Government simply must open new avenues of revenue to meet the huge deficit but the problem is one that can be solved quite easily by indirect taxation.

RIGOR MORTIS.

Sir,—As I write this I assume that the Bill commonly known as "The Budget" will have been read a first time in the Legislative Council. I did not read the debates published in your issue yesterday; nor have I any suggestions to make about the Inland Revenue Ordinance, 1947.

Two points come to mind. One is how the Colony's expenditure is applied and spent. The other concerns an old thought as to how to make it economical.

The first point bears on the attitude taken by the Unofficial members of the Legislative Council. Last year, when the Budget was before the Council, they one and all refrained from criticising the estimates of expenditure; and it seemed the right thing to do then. Now that so-called income tax is to be levied I suggest to the Unofficial members, that this estimate of expenditure be closely scrutinised.

The second point may bring embarrassment. Why should Hong Kong, at public expense, continue to provide for everybody physically capable of getting here? As an old resident I feel aggrieved when people from adjacent Chinay say that it is worth going to Hong Kong because one has only to become a hawkie in order to earn a fair living. Before the Pacific War Hong Kong had to give shelter to refugees and yet a scheme to restrict entry into the Colony was in force. Why not much the richer.

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Territories Murder

Wan Shu-fong, who was charged together with Wan Ying-kuen and Chan Wing with the murder of Wan Ping, a farmer at Haifeng Village, Sal Kuk, in September last, was unanimously found guilty by a jury at the Criminal Sessions yesterday and sentenced by Mr. Justice Williams to death by hanging.

In returning their verdict, the jury added a strong recommendation for mercy.

Chan Wing was found not guilty by the jury and discharged.

Earlier in the day, the first accused, Wan Ying-kuen, was discharged after Mr. Nigel had made a submission that the Crown had failed to make out a prima facie case against each one and every one of the three accused.

Mr. Justice Williams held that the second and third accused had a case to answer, but directed the jury to return a verdict of "not guilty" in the case of the first accused and this was done.

Mr. A. Lonsdale, analysed "by D.C.L. Mottram" appeal for the Crown. All accused were represented by Mr. F. G. Nigel.

Bills Read In Council

Legislative Council yesterday passed the following Bills:

(a) An Ordinance to amend further the Telecommunication Ordinance, 1938.

(b) The Suppression of Robbery Ordinance, 1947.

Passing the second and third reading without amendment was the Ordinance amending the Juvenile Offenders Ordinance, 1932.

The second and third reading of the Bill imposing a Tax on payment for services of dancing partners and a Tax on food sold and consumed in public dance-halls, was deferred.

The Order for amendment of Court Fee under Ballif's Expenses from \$1.00 to \$4.00, was approved by Council.

Also receiving the approval of Council was a motion by the Hon. Attorney General for payment of ex gratia pensions to members of the Public Service of the Colony and to officers and dependents of Police officers.

COMING EVENTS

March 14—Ch. of Commerce committee meeting on Income Tax.

March 14—5.30 p.m. China Coast N. and E. Officers' Guild, farwell to Mr. J. Watson.

March 15—Races: Third Extra Meeting.

March 16—HKPC Dinner.

March 18—3.30 p.m. Wedding: Kotewall-Van Bergen.

March 21—7.30 p.m. HKRNR informal Mass Night.

March 22—2.30 p.m. Bank of East Asia, general meeting.

March 23—1.30 p.m. Hong Kong & Shanghai Banking Corp. annual meeting.

March 28—Chinese Estates Ltd., shareholders meeting, noon.

H.K.V.D.C. ORDERS

Orders by Lt.-Colonel E. J. R. Mitchell, OBE, ED, commanding H.K.V.D.C. Order No. 7/47 dated 18th March, 1947.

Duties—Captain J. Weston, G.M., the Devonshire Regiment, assumed the appointment of Adjutant, H.K.V.D.C., w.e.f. 1st March, 1947, Vice Captain A. R. Morrison, 2 G.R.

Part 2 Orders No. 7/47—1.

Money Mart**WOMEN & JURY SERVICE**
Meetings To Be Called

Gold was steady yesterday, with fluctuations ranging between \$209 and \$274 a tael. Opening and closing quotations were \$272.50 and \$273.50 respectively.

Plumbers fluctuated between \$10.35 and \$10.82 per 100; opening and closing quotations were \$10.30 and \$10.60 respectively.

Chinese National Currency was stationary at 36 cents, for futures and 47 cents for spot (for CN\$1,000).

U.S. dollars were stronger at \$4.07. Sterling and Australian pounds were quoted at \$14.35 and \$12.53 respectively, buyers

COOK AWAY FROM SHIP

In the Marine Court yesterday, before Comdr. Ryder, John Kerr, 21, second cook of the ss "Kingland," was fined 34 days' pay for absenting himself from his ship without leave from March 9 to 11.

The master of the ship, Capt. J. M. Robertson, who appeared in Court as complainant, said Kerr left because he could not get on with the chief cook, lodged a complaint with the Shipping Master, and refused to return to the ship.

ARRIVALS AND DEPARTURES

Peninsula Hotel arrivals: Duncan M. Roberts, Dr. N. A. Japan, W. G. Graham, J. A. Bond, S. V. Stachurski, Ch. Wohler, O. Laperal, Leo Forbes and Joseph Turner.

Peninsula Hotel departures: Major E. Shattock, Mrs. Betty Hall, J. Taylor, Henry Bayliss, H. H. Gilpin, Mr. and Mrs. W. Y. Tu, L. H. Dops, G. Lim, G. F. Cross and G. Lambert.

The case of Tee Ching, who is charged with murder, was adjourned yesterday by Mr. Justice Williams to the March-Sessions. Hearing was originally fixed for the February Sessions.



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By EDGAR MARTIN



By EDGAR MARTIN

Opinions Differ

Hong Kong, 21st Feb., 1947.

PUBLIC WORKS DEPARTMENT

It is hereby notified that the following Sale of Crown Land by Public Auction will be held at the Offices of the Public Works Department on Monday, the 17th day of March, 1947, at 3 p.m.

Sale Conditions may be obtained and sale plan inspected at the Office of the Superintendent of Crown Lands and Surveys, Lower Albert Road.

PARTICULARS OF THE LOT

No. of Sale	Registry No.	Location	Boundaries	Area in sq. ft.	Annual Rental	Open Price
1	New Kowloon Island Lot No. 3501	Shun Ning Road between Tonkin Street and Praha Street	As per sale plan	23,100 (about)	\$655	\$11,650

Immediately after the fall of the hammer, the purchaser shall according to the Conditions of Sale pay to the Auctioneer in cash the sum of \$6,030.00.

V. KENNIFF,
Director of Public Works.

Hong Kong, 28th February, 1947.

PUBLIC WORKS DEPARTMENT

It is hereby notified that the following Sale of Crown Land by Public Auction will be held at the Offices of the Public Works Department on Monday, the 17th day of March, 1947, at 3 p.m.

Sale Conditions may be obtained and sale plan inspected at the Office of the Superintendent of Crown Lands and Surveys, Lower Albert Road.

PARTICULARS OF THE LOT

No. of Sale	Registry No.	Location	Boundaries	Area in sq. ft.	Annual Rental	Open Price
2	New Kowloon Island Lot No. 3502	Shun Ning Road between Praha Street and Camp Street	As per sale plan	42,000 (about)	\$1,182	\$64,350

Immediately after the fall of the hammer, the purchaser shall according to the Conditions of Sale pay to the Auctioneer in cash the sum of \$12,870.00.

V. KENNIFF,
Director of Public Works.

Hong Kong, 28th February, 1947.

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ORDINARY YEARLY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ordinary Yearly General Meeting of the Shareholders of the Corporation will be held at the Head Office of the Corporation, 1 Queen's Road Central, Hongkong, on Friday the 23rd day of March, 1947, at 11:30 a.m. for the purpose of receiving and considering the reports of the Directors and of the Auditors and the Profit and Loss Account and Balance Sheet for the year ending 31st December, 1946, and for the election of Directors and the appointment of Auditors.

The Register of Shares of the Corporation will be closed from Monday, the 10th March to Friday the 23rd March, 1947 (both days inclusive) during which period no transfer of shares can be registered.

By Order of the Board.

A. MORSE,
Chief Manager.

Hongkong, 20th Feb., 1947.

MEDICAL BOARD**WARNING NOTICE**

The Medical Board of Hong Kong desire to bring to the notice of registered medical practitioners in Hong Kong that instances have come to their notice recently in which certificates, notifications, reports, etc., which registered medical practitioners are bound by law to give or may be, from time to time, called upon or requested to give, have been wrongly issued.

The Medical Board desire to warn registered medical practitioners that any such practitioner who shall be shown to have signed or given under his name and authority any such certificate, notification, report, document of kindred character, which is untrue, misleading, or improper, is liable to have his name erased from the Medical Register.

By Order of the Board.

GIBB, LIVINGSTON & CO., LTD.
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Hong Kong, 12th March, 1947.

By Order of the Board.

G. B. SELWYN-CLEABRE,
Chairman,
Medical Board.

Hong Kong, 12th March, 1947.

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G. B. SELWYN-C



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HONG KONG TO BANGKOK SATURDAY, 15th March
HONG KONG TO MANILA SUNDAY, 16th March

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INCOME TAX
AND THE BUDGET

The Financial Secretary's speech yesterday, introducing the Budget for 1947/48, provides as strong an argument as any of those already advanced, for resisting the attempt to steam-roller Income Tax through Legislative Council. Twelve months ago, we challenged as unnecessarily pessimistic the Financial Secretary's gloomy predictions of the financial outcome for 1946/47. In the result, the profound disturbing estimate of a deficit of \$116,000,000 amounts to no more than \$5,000,000, and when the final figure is produced, may very well be nearer \$10,000,000 than \$50,000,000. Mr. Follows presents an apparently legitimate excuse for this rather remarkable discrepancy. Conditions prevailing offered no standards comparable with those existing in 1941, which would permit of reasonably accurate estimates of 1940 revenue returns. The potential was calculated upon the safe side, and we can, therefore, congratulate ourselves upon the so much happier final result. This would have been convincing, perhaps, did it contain anything genuinely new. In point of fact, the difference between expectation and realisation is appreciably wider than is customarily to be expected, but that, in itself, does not invalidate the contention that the Financial Secretary is but following in a path of tradition, well worn, when he submits Estimates on consciously conservative lines, confident that if in the event he is proved wrong, his mistake will be on the right side of the ledger. In general, it is a method of procedure not easily to be condemned. When, however, there develops a threat like the present of forcing a species of Income Tax upon the community against the solid opposition of the thinking section of that community, it is right and proper that it should be subjected to a closer scrutiny. The estimated ordinary expenditure for the coming financial year is \$107,484,333 and the anticipated revenue, inclusive of an assumed yield of \$16,000,000 from Income Tax, is \$109,839,750. In considering these figures, which again are worthy of comparison with those prophesied by our experts twelve months ago, it has to be remembered that substantial amounts have been provided to meet contingencies which may never arise, and that due allowance needs to be made for the habit of conservatism in the official approach to estimates of revenue. When, bearing these two factors in mind, Government says frankly that the probable margin between revenue and expenditure, without Income Tax, would be less than \$16,000,000 assuming all the charges provided for in the Budget have, actually to be met, and the usually well-founded confidence that Revenue yields will turn out to be higher than estimated is falsified, Government's case for insisting upon the necessity for Income Tax is astoundingly weak. The amount involved, relatively, is so small that there must inevitably come an intensification of the demand that Government explore the ground more thoroughly, and seek out alternative and more equitable sources of revenue before embarking, if opportunity permits, upon direct taxation. Admission that new taxes must be accepted as part of the price Hong Kong must pay for being in the path of Japan when she chose the path of aggression has always been based upon the premise that an enormous gap must exist between Revenue and Expenditure. Even the bitterest opponents of direct taxation, took it for granted that, in reviving the Income Tax threat, Government must be looking for between \$30,000,000 and \$40,000,000 of new revenue. A possible deficit of \$16,000,000 (which on past experience will almost certainly be less) can surely be met without the introduction of a measure as completely devoid of the essential elements of equitability and reasonableness.

An unbridled economic crisis broke out as a result of the graveness of the political crisis and the prolongation and extension of the civil war. We are witnessing the bankruptcy of Chinese rural economy, national industry driven to the edge of bankruptcy, malignant inflation completely out of control, and exorbitant taxes increasing daily with the people unable to bear the burden. If this situation continues I. draining the pond to catch the fish, then the entire community must head for the path leading to total collapse.

Since China herself cannot solve her own problems while civil war rages throughout the country, world peace is bound to be affected and China will disgrace herself in the eyes of her foreign friends. Furthermore, the international position of China is much lowered because China has an independent foreign policy. She secures the help of American reactionaries in waging civil war, and makes use of their anti-Soviet-phobia.

Who Is Responsible?

It is recalled that at the time of the anti-Japanese war, China was much respected abroad because there was internal unity and because all forces in China were united against her alien enemy. Thus China became one of the five

powerful nations in the world.

Such an unfortunate situation was brought about by the Chinese reactionaries who violated Dr. Sun's teachings, and by American reactionaries who acted contrary to Roosevelt's policy in their making

of the Sino-American alliance.

However, these resolutions were torn up by its own hands shortly afterwards. Thus, peace, unification and democratic national reconstruction which should have been realized, have not been realized, and the civil war tragedy which ought to have been avoided, is being played out act by act.

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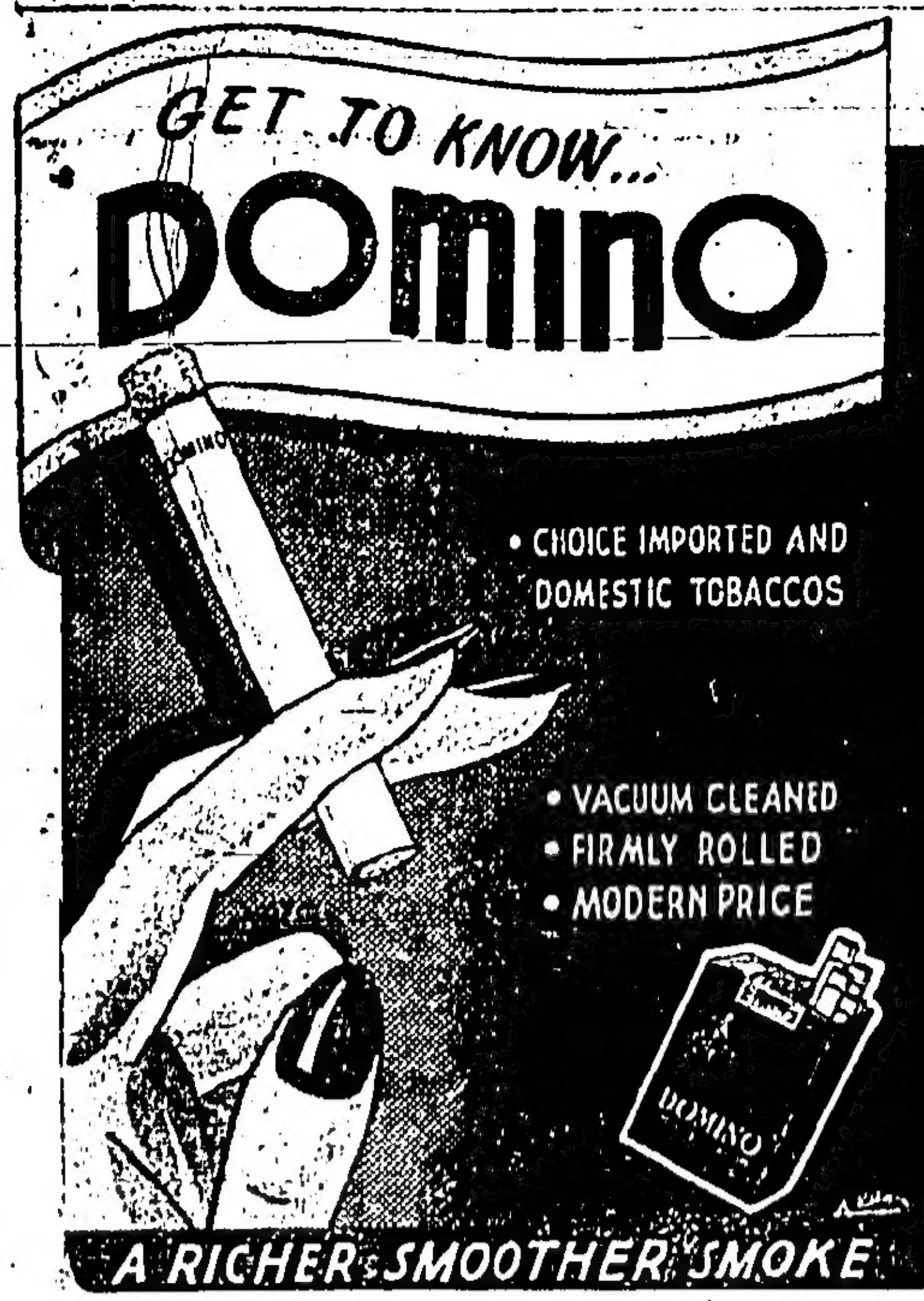
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GOVT. WINS CONFIDENCE VOTE Mr. Churchill On Top Of His Form No Coalition, Says Mr. Greenwood

London, Mar. 12. The Labour Government tonight weathered by an overwhelming margin its most severe Parliamentary attack, defeating Mr. Winston Churchill's motion of no confidence by 374 votes to 198.

At the end of three days' debating, the House adopted the Government's White Paper plans for dealing with Britain's direst economic crisis since the industrial revolution. The vote was taken immediately after Mr. Churchill's manoeuvre had been defeated 371-204.

There was a minor upset in every four prisoners, whereas the results of the division in that Mr. Clement Davies and 12 Liberal members of the House did not vote on Mr. Churchill's no confidence motion, which was an amendment to the Government motion. The Liberals had been expected to side solidly with the Tories as they did on the second division, voting with Mr. Churchill's forces against the Government plans.

The Liberals explained privately that they abstained from voting on the Churchill censure motion because the Conservatives, if in power, would not adopt the measures which the Liberals believed necessary to save the country.

It was the second time in the 20-month life of Prime Minister Attlee's Government that Labour has had more than 200 votes cast against it. That opposition figure was reached also late last year on the vote for the transport nationalization bill. Labour holds 394 seats in the House and the Conservatives 197.

"We regard Government's continuance in office as a growing national disaster!"

He went on: "Either the country must go down in a measureless crash or the Government must drop its Socialist legislation by freeing industry and enterprise from the trammels in which they have been entangled and the sense of national unity restored at the earliest stage. That is the choice upon which our fate depends."

The Conservative benches cheered loudly when Mr. Churchill said: "We do not aspire to coalition. We do not grudge the Ministers their offices and certainly not their careers. Nonetheless, we must earnestly hope the Prime Minister and his principal colleagues will take the right turning at this grave moment in British history."

"They mean as far as they can to prevent our programme being put on the Statute Book. I assure them they are not going to do it. The Labour Party stands solid. We shall play the Parliamentary game fair. We shall not be deflected from our purpose," Mr. Greenwood said.—Reuter.

Acrimonious Debate

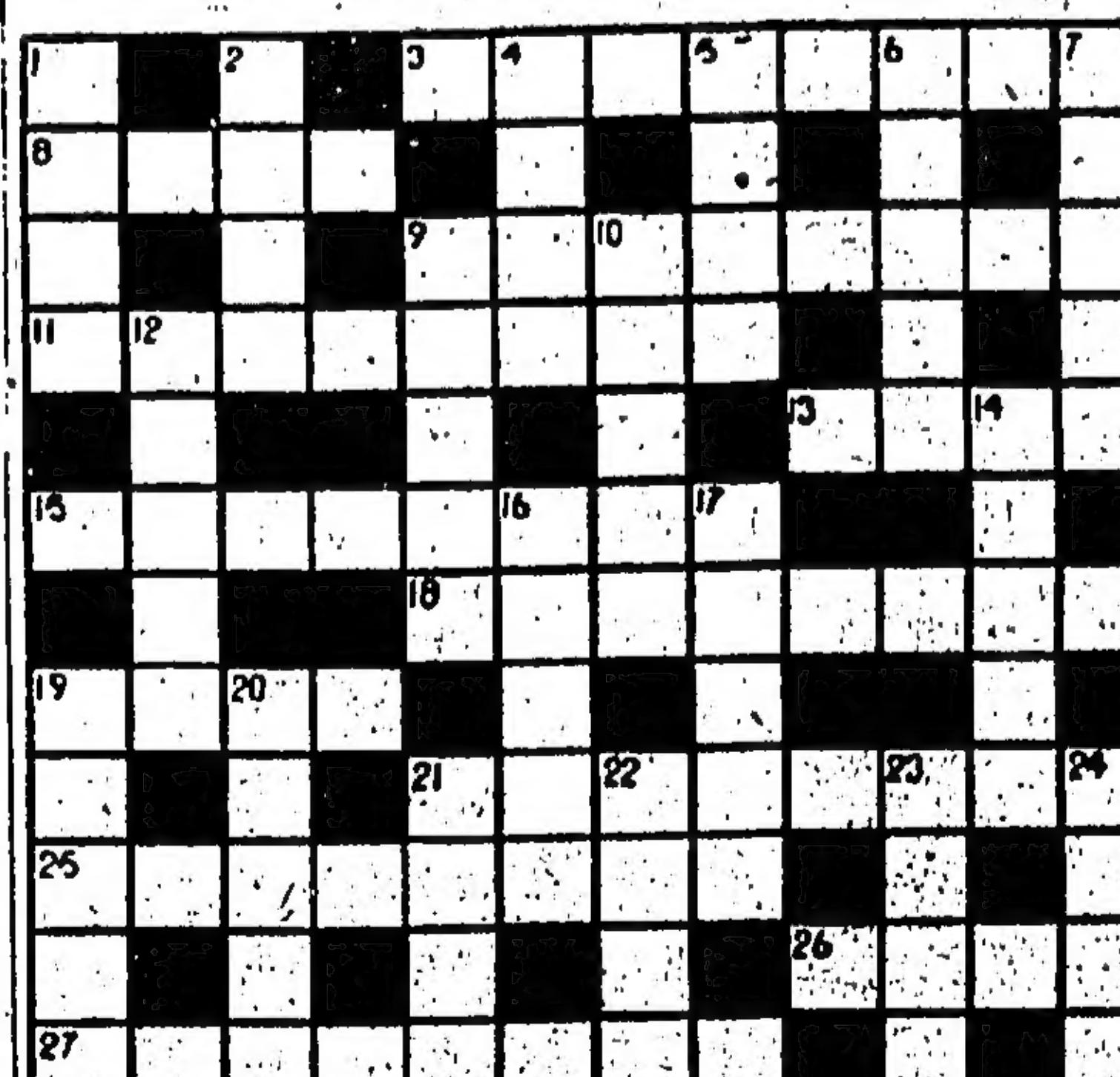
The double division came at the end of a day of acrimonious debate highlighted by Mr. W. Churchill's castigation of the Government with his best invective, at the top of his wartime oratorical form.

Mr. Churchill said that aid stocks, contrary to statements by Sir Stafford Cripps, were higher in the winter of 1944 than they were in 1939, but charged that in April 1946 they were down to less than 7,000,000 tons when a "little ordinary foresight and a little planning" were necessary.

He said Britain had 460,000 more civil servants than before the war, at a cost of £60,000,000 a year.

"Wormwood Scrubs"
"The Socialist ideal is to reduce us to one vast Wormwood Scrubs," he said. "Of course it is true that at Wormwood Scrubs there is one official to

A BRITISH CROSS WORD PUZZLE



Clues Across

- 3. Cramming. 11. from liquor.
- 8. Raucous. 10. Duplicate.
- 9. Complete. 21. Portrayed.
- 11. Assess. 23. Lipstick.
- 12. Incline. for example.
- 13. Not fit to. 20. Meditative.
- 14. cat. 27. Walked feebly.
- 15. Abstaining.

Yesterday's Crossword

- ACROSS:—1. Allies; 4. Brawl; 5. Participle; 6. Elite; 8. Leader; 11. Erected; 12. Repulse; 13. Subject; 15. Lurk; 16. Simulate; 20. Heron; 21. Singed.
- DOWN:—1. Appel; 2. Acted; 3. Secure; 4. Breeze; 5. Admitted; 6. Legend; 10. Reporter; 12. Rejoined; 13. Railah; 14. Lesson; 16. Nylon; 17. Yield.

Clues Down

- 1. Merriment. 12. Muscle.
- 2. Shrewd and. 13. Conscious of.
- 3. Sharp. 14. Headress.
- 4. Musical instrument. 15. Moral.
- 5. Mass of float-30. Insertion.
- 6. Int. ice. 21. Valley.
- 7. Accustom. 22. Tube.
- 8. Harvest. 23. Tight.
- 9. Course. 24. Profound.
- 10. Not fresh.

- 1. DOWNS:—1. Appel; 2. Acted; 3. Secure; 4. Breeze; 5. Admitted; 6. Legend; 10. Reporter; 12. Rejoined; 13. Railah; 14. Lesson; 16. Nylon; 17. Yield.

and cheers, but for the most part Mr. Churchill was heard in pin-drop silence. As he castigated the Cabinet Ministers present, he glared at them and shook his finger like a scolding housewife. — United Press.

Brilliant, But Not Convincing

Mr. Arthur Greenwood, Lord Privy Seal, described Mr. Churchill's speech as a very brilliant Parliamentary performance but most unconvincing. The amendment was intended by Mr. Churchill as a vote of censure on the Government.

"Class Warfare"

"In their class warfare," he cried, "Government have no right to appeal to the spirit of Dunkirk."

He continued: "The first object of Government's planning should be to liberate and encourage the national native energies and genius of our race. The second stage is to guide and aid all the forces of those native energies to generate into the right channel."

Mr. Churchill then reached the point of his speech.

"We regard Government's continuance in office as a growing national disaster!"

He went on: "Either the country must go down in a measureless crash or the Government must drop its Socialist legislation by freeing industry and enterprise from the trammels in which they have been entangled and the sense of national unity restored at the earliest stage. That is the choice upon which our fate depends."

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Two Convictions

"I have two convictions in my heart:—One is that somehow or other we shall survive, although for a time on a lower level than hitherto. The second is that things are going to get worse before they get better."

Cheers continued for several minutes after Mr. Churchill sat down. The war leader spoke for about an hour and 20 minutes to one of the most crowded houses in several weeks. At first there were supporting and Opposition jeers.

"Cyrus To Stay As It Is

London, Mar. 12. The Secretary for Colonies,

Mr. Creech-Jones, was cheered

when he told the House of Com-

mons today that no change in

the status of Cyprus was con-

templated by the British Gov-

ernment.

He had reminded the delega-

tion from Cyprus of this deci-

sion. In the interview he had

accorded to the delegation which

presented a memorandum on the

subject of a union of Cyprus

with Greece, he alluded further

to the economic and social de-

velopment programme involving

substantial assistance from

United Kingdom funds and

plans for the introduction of a

more liberal constitution.

"I expressed the hope of the

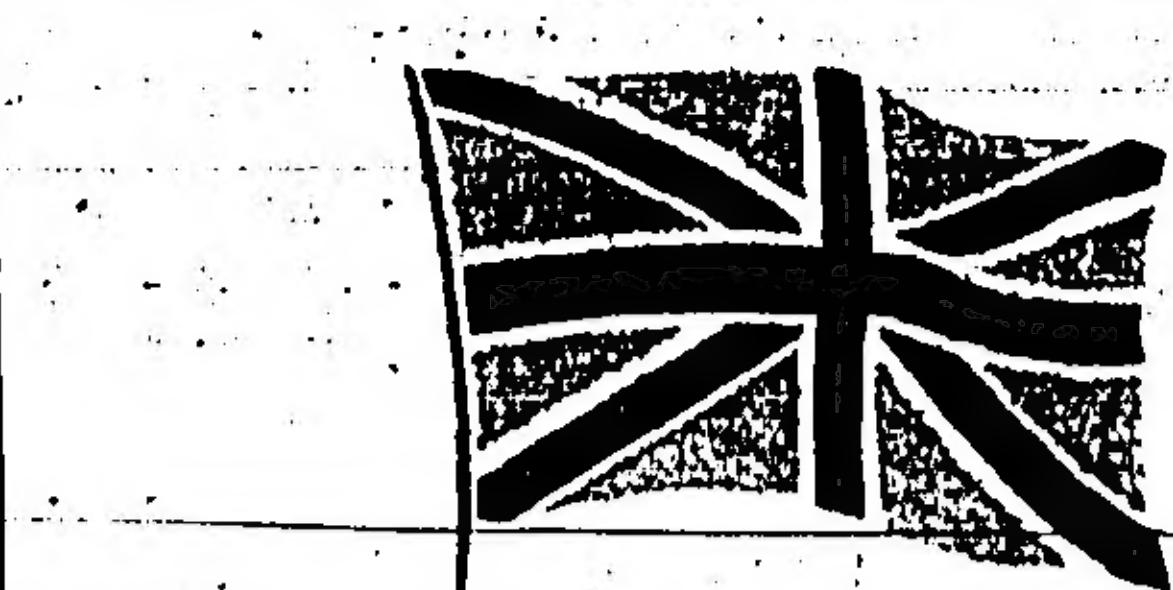
British Government that the

people of Cyprus would play

their part in these beneficial de-

velopments," he said.—Reuter.

Cyrus To Stay As It Is



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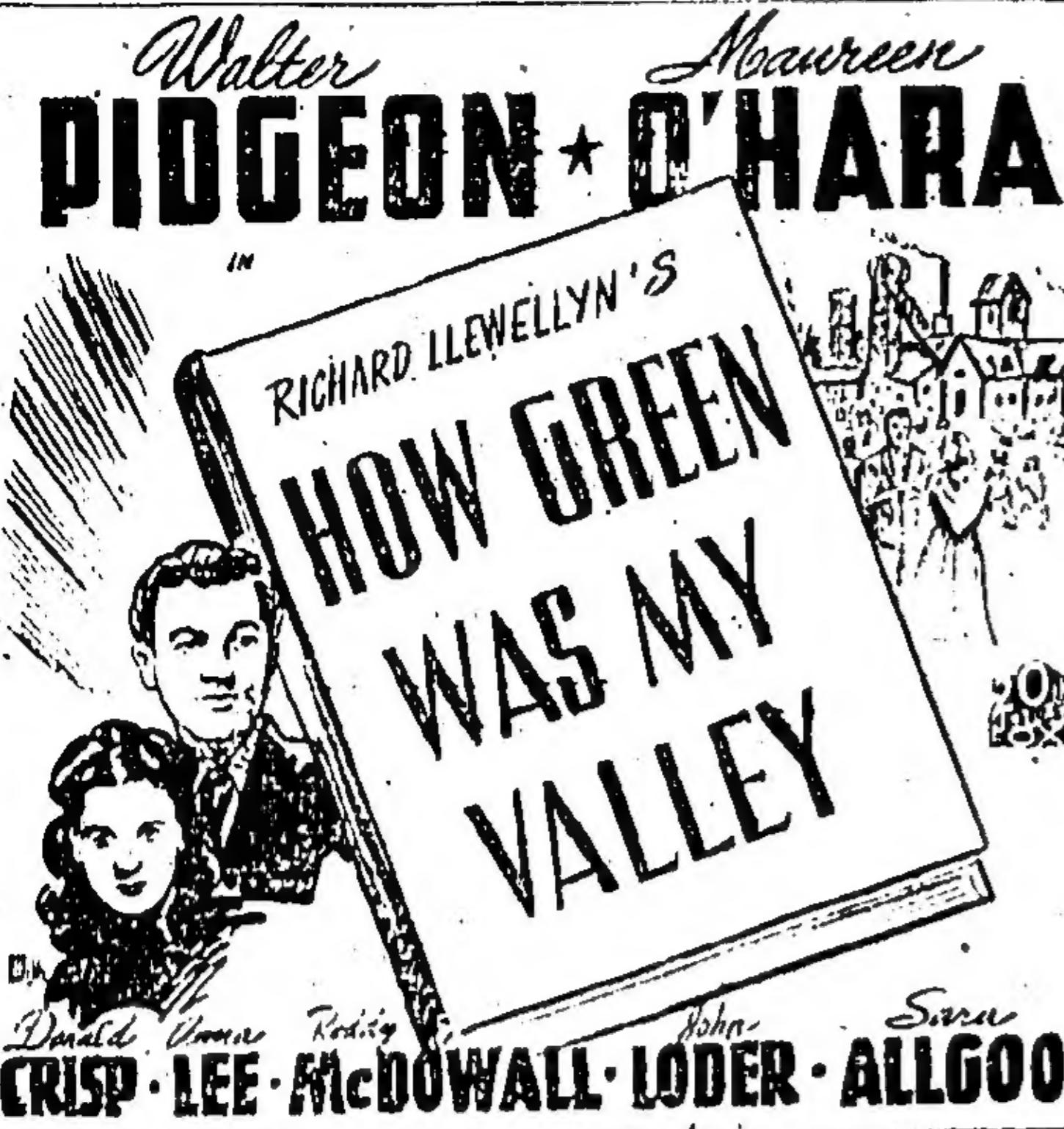
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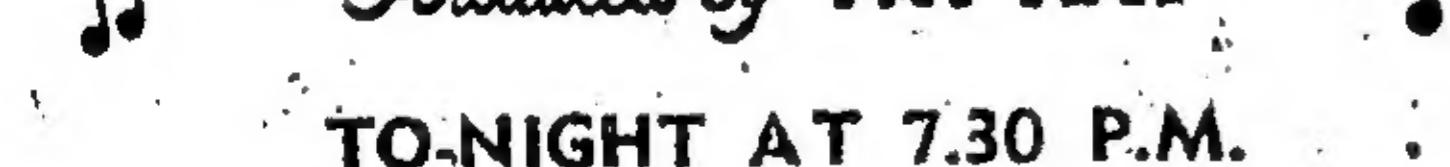
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NEXT CHANGE: "PINOCCHIO"

RUSSIA HUNTS FOR SECRET OF COSMIC DEATH RAYS

Moscow Recalls Envoys

London, Mar. 13. Russian diplomatic sources disclose that Georgi Zarubin, Soviet Ambassador to Britain, left suddenly for Moscow early today.

They say the ambassador's return to Moscow is "for consultations in connection with the Foreign Ministers' conference."

He left London by train.

The Russian Embassy in Washington advised the United States Department yesterday that the Soviet Ambassador to the United States, Nikolai V. Novikov, would leave on Thursday for Moscow.

Russian sources in London said Zarubin, who assumed the ambassadorship in January, is "no particular expert" on German-Austrian affairs, subjects of the Big Four talks in Moscow. Therefore, they said, it could be assumed his consultation with Molotov would be "strictly routine."

They said the British Government was informed of Zarubin's intention to leave.—Associated Press.

The Soviet Union has cracked the secret of controlling atomic energy, manufactured its own atomic bombs and is now concentrating its research on the international race for control of an even deadlier weapon—cosmic death rays. These allegations are contained in an article published by the "De Volksrant," organ of the powerful Netherlands National Catholic Party and leading Dutch Conservative newspaper.

An independent investigation among the best informed sources available in Europe has substantiated in most particulars this story, which also alleges:

Firstly, that Soviet scientists have constructed atomic bombs four times heavier than the bombs the Americans dropped at Bikini, although not necessarily any deadlier.

Secondly, through espionage learned of the mistakes made by the Americans in their pioneering work at Oak Ridge, Tennessee, bomb experimentation is now focused entirely on splitting the protactinium atom instead of the uranium isotope.

Thirdly, their top secret atomic energy plant is located in the Lake Balkal area of Eastern Siberia, in the midst of the central Mongolian desert;

Fourthly, thousands of German nuclear physicists and other scientists, specialists and technicians, forced as paid slave labour to serve the Kremlin, are employed on their atomic project, which is said to dwarf the American atomic plant at Oak Ridge.

Fifthly, last April 300 persons were killed at Atomgrad, closely guarded centre of research on the northern shore of Lake Balkal, when an accidental chain reactor released deadly radioactive rays, which penetrated steel and concrete and, even "underground

water tanks, sent a thousand people fleeing in panic.

Cosmic Rays

Sixthly, even more closely guarded secret than their atomic energy experiments is the Soviet research into radioactive possibilities of the powerful and mysterious cosmic rays going on at the research centre in the Pamir area of central Asia and in the high Himalayan mountains.

Experts consulted on the "De Volksrant" story noted what they called the minor errors of fact in the known knowledge of Soviet atomic and cosmic ray experimentation. They verified, however, that in its essentials and most of details, the story was accurate, with one exception, the point as to whether the Soviet have actually manufactured a bomb.—Reuter.

Turkey Must Have U.S. Aid

Istanbul, Mar. 13. Qualified informants say that Turkey must have American financial aid if she is to keep her army of nearly 1,000,000 men fully mobilized as a barrier against any possible Russian encroachment.

Turkey has been in full mobilization status for seven years. More than 60 per cent of her national income goes toward the maintenance of the army.

Most of the army guards the Turkish-Russian border, east of the Black Sea, and the Turkish-Bulgarian frontier.

The Turks say the cost is severe and such a drain upon the nation's fiscal resources that her whole economic structure is in jeopardy.

The Turkish army admittedly is not well equipped.

One Government spokesman commented: "A weak Turkey could only invite trouble. It would be more farsighted and much less costly in the long run to help her today than have to try to rescue her on some later day."—Associated Press.

BIGGEST BOMBER IN THE WORLD

Washington, Mar. 12. The U.S. Army Force announced today its newest six-engine XB-36 super-bomber had set a world record by lifting 278,000 lb. off the ground at Fort Worth, Texas, concluding 13 successful test flights.

At the same time, A.A.F. announced the penultimate conversion of the B-29, which scourged Japan, into an X-97 "Strato-Freighter" capable of carrying a full cargo 4,000 miles at 300 m.p.h.—United Press.

INCREASE IN RAW SUGAR PRICE

London, Mar. 12. It is reported unofficially on the Commodity Exchange that the Ministry of Food is increasing the price of raw sugar to

United Kingdom manufacturers by 9 1/4d per hundredweight, effective March 17.—Reuter.

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